

AAPC General PP&E Task Force
Acquisition Subgroup
Meeting: August 08, 2008

Attendees:

Monica Valentine ValentineM@fasab.gov
Alice Carey alice.carey@dodig.mil
Robert Benefiel robert.e.benefiel@dfas.mil
Colleen Calvin colleen.calvin@us.army.mil
Cindy George cigeorge@deloitte.com
Joseph Knarich joseph.knarich.ctr@osd.mil
Rick Zaffarese-Leavitt FZAFFARESE@lc.usbr.gov
Steve Lipscomb lipscombs@gao.gov
Angela O'Connor amoconnor@kpmg.com
Dennis Phillips DPHILLIPS@do.usbr.gov
Tom Ruckdaschel tom.ruckdaschel@osd.mil
Ken Schreier j.schreier@comcast.net
Wayne Hudson wayne.hudson@hqda.army.mil

The members discussed the progress of the Historical Costs issue paper. Specifically, the issues paper contains seven major sections: introduction, criteria for reasonable estimates, agency approaches acceptable for estimating historical costs, agency approaches currently used and under review, agency approaches planned for the future, examples of historical cost issues, and Summary of Technical Guidance. The later four sections will be used as the basis for preparing the implementation guidance and best practices in the final document. The meeting focused on areas that need input or further clarification.

Criteria. The criteria section includes auditor and industry guidance for historical costs. This section will also include AICPA guidance (to be prepared by Bob Benefiel and Tom Ruckdaschel).

Accepted Approaches. The agency approaches acceptable for estimating historical costs identifies examples of approaches that auditors or IGs for specific organizations have accepted for contractor-held government-owned property. Shortly after the meeting, we received from Parker Hill a DOI example for deflation of replacement costs. We are awaiting input from Ken Fields for the contractor-held government-owned property contract language. We would like to have input from any member regarding capital asset systems that have been accepted.

Agency Approaches Under Review. Ken Schreier, Angela Norkiewicz, and Alice Carey will work together to address DoD input provided for this section. NASA has provided an example and further details on how NASA determines the value of equipment.

Examples of Historical Cost Issues. This section includes/will include examples of historical costs issues the group has identified in the following topics: use of estimates, rebuilt assets into “like new,” maintenance and modification, full cost, transferred assets, and donated assets. Group members have agreed to research guidance and best practices for those areas as follows:

Use of estimates:

- David Horn and Parker Hill have previously agreed to provide input for replacement costs
- Dennis Phillips and Rick Zaffarese-Leavitt agreed to provide input for overall use of estimates

Rebuilt Assets into “Like New” **and** Maintenance and Modification

- Cindy George, Alice Rice, and Marsha Campbell have provided input and are continuing efforts to research FASAB, FASB, GASB and the Airline Industry Guidance to provide technical guidance.

Full Cost

- Ken Schreier and Alice Carey agreed to provide input.

Transferred Assets

- Steve Lipscomb and Angela O’Connor agreed to provide input.

Donated Assets

- Colleen Calvin is checking with Anitra Akanbi to determine if this issue needs to be included in this paper.

Cindy George maintains a master copy of the draft Historical Costs issue paper. The members agreed to provide Cindy an update to sections they agreed to provide input to by August 22th. The updated paper will be distributed to the group by August 25th for review. The Historical Cost issue group will meet again on August 27th to discuss any comments or suggestions to the updated paper.